

OFFICIAL COPY

Fresno, California

January 15, 2002

The City Council met in regular session at the hour of 8:32 a.m. in the Council Chambers, City Hall, on the day above written.

Present:	Tom Boyajian	Councilmember
	Brian Calhoun	Councilmember
	Jerry Duncan	Councilmember
	Sal Quintero	Councilmember
	Dan Ronquillo	Councilmember
	Henry Perea	Council President
Absent:	Brad Castillo	Acting President (present via teleconference call for the 4:30 p.m. and 5:00 p.m. items)

Dan Hobbs, City Manager
Hilda Cantu Montoy, City Attorney
Becky Klisch, City Clerk
Yolanda Salazar, Assistant City Clerk

Pastor Rod Sees, Butler Mennonite Church, gave the invocation, and Marilyn Claverie led the Pledge of Allegiance to the Flag.

RESOLUTION OF COMMENDATION TO CARE FRESNO VOLUNTEER MARILYN CLAVERIE - MAYOR AUTRY AND PRESIDENT PEREA

PROCLAMATION OF PIG BOWL IX - MAYOR AUTRY AND COUNCIL

Read and presented.

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The City Council recessed at 8:46 a.m. and convened in joint session with the Redevelopment Agency.

APPROVE AGENCY MINUTES OF JANUARY 8, 2002

On motion of Councilmember Ronquillo, seconded by Councilmember Quintero, duly carried, RESOLVED, the minutes of January 8, 2002, approved as submitted.

(“A”) CONTINUED HEARING ON APPROVAL OF A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE AGENCY AND AB PARKING FACILITIES, LLC, FOR AGENCY-OWNED PROPERTY LOCATED AT THE NORTHEAST CORNER OF BROADWAY AND THE MARIPOSA MALL (LOT 3)
(COUNCIL AND AGENCY ACTION)

1. JOINT RESOLUTION NO. 2002-8/1596 - (1) MAKING FINDINGS FOR AND ADOPTING A MITIGATED NEGATIVE DECLARATION FOR ENVIRONMENTAL ASSESSMENT NO. C-01-98 (CUP), (2) APPROVING THE DDA, AND (3) MAKING CERTAIN FINDINGS PURSUANT TO THE HEALTH AND SAFETY CODE FOR SALE AND DEVELOPMENT OF A PARKING STRUCTURE ON AGENCY-OWNED PROPERTY AT THE NORTHEAST CORNER OF BROADWAY AND MARIPOSA MALL IN THE CENTRAL BUSINESS DISTRICT REDEVELOPMENT PROJECT AREA

Redevelopment Administrator Murphey reviewed the staff report as submitted and a motion was made to approve staff's recommendation.

Barbara Hunt, 612 "F" Street, spoke to the issue.

Charles Briggs and Ron Allison, Zahra Properties, Inc. and owners of the Guarantee Savings Building, and City Attorney Montoy responded to comments and questions of Councilmember Boyajian and/or clarified issues relative to parking being crucial to the stadium, the owners' discretion in making parking available to the public, number of stalls planned, possibility of opening up some of the IRS's and employees' parking stalls to the public, discretion/parking process for stadium events, how the arrangement would affect gaining revenues for the stadium complex, and the proposal being consistent with agreements with the Fresno Diamond Group relative to ability to pay back bonds.

Councilmember Ronquillo and Chair Duncan spoke in support of the issue and commended the investors.

On motion of Councilmember Ronquillo, seconded by Councilmember Quintero, duly carried, RESOLVED, the above entitled Joint Resolution No. 2002-08/1596 hereby adopted, and the execution of the D&DA and such further documents and taking such further actions as maybe necessary or appropriate to carry out the Agency's obligations under the Agreement hereby authorized including, without limitation, signing escrow instructions and a grant deed, by the following vote:

Ayes	:	Boyajian, Calhoun, Perea, Quintero, Ronquillo, Duncan
Noes	:	None
Absent	:	Castillo

("B") APPROVE MATTERS CONCERNING AN OWNER PARTICIPATION AGREEMENT (OPA) WITH COAST TO COAST PETROLEUM, LLC, FOR THE DEVELOPMENT OF PROPERTY AT THE SOUTHEAST CORNER OF S. ELM AND E. JENSEN AVENUES

1. JOINT RESOLUTION NO. 2002-9/1597 - (1) SELECTING COAST TO COAST PETROLEUM, LLC, AS OWNER PARTICIPANT, (2) WAIVING CERTAIN OWNER PARTICIPATION CRITERIA, (3) MAKING CERTAIN FINDINGS PURSUANT TO THE COMMUNITY REDEVELOPMENT LAW, AND (4) APPROVING THE OPA WITH COAST TO COAST PETROLEUM, LLC

2. ACCEPT THE FINDING OF CATEGORICAL EXEMPTION FOR ENVIRONMENTAL ASSESSMENT NO. C-01-095

3. AUTHORIZE EXECUTION OF THE OPA

Redevelopment Administrator reviewed the staff report as submitted.

Barbara Hunt, 5612 "F" Street, spoke to the issue.

happening in the area and stated this was another milestone project. A motion and second to approve staff's recommendation was made and acted upon after brief comments and/or questions of Councilmembers Calhoun and Quintero relative to support for the project, commendations to the Agency, what used to be on the site, and who would be responsible for environmental clean up.

On motion of Councilmember Ronquillo, seconded by Councilmember Calhoun, duly carried, RESOLVED, the finding of a Categorical Exemption for Environmental Assessment No. C-01-095 hereby accepted; the above entitled Joint Resolution No. 2002-9/1597 hereby adopted; and staff authorized to execute the Owner Participation Agreement and take such further actions as may be necessary or appropriate to carry out the Agency's obligations or enforce the Agency's rights under the Agreement, by the following vote:

Ayes	:	Boyajian, Calhoun, Perea, Quintero, Ronquillo, Duncan
Noes	:	None
Absent	:	Castillo

(“C”) DIRECTION TO STAFF TO PREPARE CLEAN UP AMENDMENTS TO THE DEVELOPMENT AGREEMENT AND LAND SALE CONTRACT BETWEEN COMMUNITY MEDICAL CENTER (CMC), THE CITY OF FRESNO AND THE REDEVELOPMENT AGENCY RELATED TO THE REGIONAL MEDICAL CENTER CAMPUS PROJECT AND ESTABLISH A \$3.5 MILLION RESERVE FUND

Councilmember Calhoun recused himself due to a potential conflict of interest and left the meeting at 9:07 a.m. Redevelopment Administrator Murphey reviewed the staff report as submitted.

Speaking to the issue were: Marsha Simpson, 2882 E. Huntington Blvd. #116; and Barbara Hunt, 612 “F” Street.

Ms. Murphey clarified an issue in the staff report relative to the proposed deposit amount of principal and the fund amount reserved for redevelopment commitments. Chair Duncan spoke in support of the issue stating this was a unique opportunity to fulfill an obligation with Community Hospital and made a motion to approve staff's recommendation, which motion was seconded and acted upon after additional discussion.

Councilmembers Ronquillo **(2 - 0)** and Boyajian commented on the issue, spoke in support of the project and commended Agency and CMC staff, and Assistant City Attorney Avila and Controller Quinto clarified issues relative to the report that would be coming back to Council in 30 days, ancillary actions that would need to be taken, the promissory note coming back to the Agency for final approval, and terms of the promissory note being on demand, whereupon the motion was amended to specify the \$1.5 million loan would be *payable on demand*. Ms. Murphey responded briefly to questions of President Perea relative to ability to use any future tax increment generated from the Jefferson and Mariposa Redevelopment Project areas for other projects that come to fruition in those areas including the downtown hotel to be constructed by the Algen Group.

On motion of Chair Duncan, seconded by Councilmember Ronquillo, duly carried, RESOLVED, **(1)** the Agency and City Attorney's Office directed to prepare language to make the necessary amendments to the 1995 Development Agreement and Land Sale Contract between the City of Fresno, the Redevelopment Agency and

project funding commitment of \$350,000 annually for the next ten (10) years, the conveyance price of the land of \$4 a square foot be set for the next ten years, the legal changes necessary to implement UCSF Medical Education Building project, and the Agreement effective date set at July 18, 1995; (2) Agency staff directed to return to Council/Agency within 30 days with an amendment to the DD&A that is consistent with the staff report and the direction to staff; and (3) Agency staff directed to establish a \$3.5 million reserve fund to secure this commitment to CMC by transferring reserve funds from the bond trustee account. **Nos. 1 and 2** provides for amendment of the D&DA and further directs the Agency to prepare the necessary budget resolution for use of \$3.5 million of unallocated RDA funds as follows: (a) \$2.7 million for a reserve fund for Community Medical Center (CMC) obligations, (b) \$400,000 for outstanding obligations to CCSI regarding relocation of the Fifth District Court of Appeals, (c) \$150,000 for funding for Council/Agency authorized new project areas and (d) \$25,000 for Uptown land acquisition. Also, the City is in need of a short term loan of \$1.5 million for award of a streetscape project in downtown Fresno around the new stadium, therefore, the City and Agency is further directed to prepare and process a short term (9 month) loan agreement whereby the Agency loans the City \$1.5 million for 9 months, payable on demand, for the purpose of award of a contract for downtown streetscape work. The short term loan would be from the \$2.7 million CMC reserve fund and the fund would be replenished upon City repayment of the loan, by the following vote:

Ayes	:	Boyajian, Perea, Quintero, Ronquillo, Duncan
Noes	:	None
Absent	:	Castillo
Recused	:	Calhoun

(“D”) DIRECT STAFF TO INITIATE A STUDY TO EXPAND THE CENTRAL AREA REDEVELOPMENT PROJECT AREA - PRESIDENT PEREA

Briefly reviewed by President Perea who stated this request was similar to the one last week for the Airport Redevelopment Area and made a motion to approve the direction, which motion was seconded and acted upon after brief discussion.

Barbara Hunt, 612 “F” Street, spoke in opposition.

Councilmember Ronquillo commented on the central area’s expansion problems and abandoned areas and stated areas did not have to be expanded to make a difference but instead Council needed the courage to draw a circle and say “no more commercial beyond this point” and elaborated. Chair Duncan stated everyone basically agreed with Councilmember Ronquillo’s comments and clarified the new general plan to ultimately be adopted will place a limit on expansion and would do quite a bit to encourage focusing new growth in the central part of the city.

On motion of President Perea, seconded by Councilmember Quintero, duly carried, **RESOLVED**, staff directed to initiate a study to expand the Central Area Redevelopment Project Area, by the following vote:

Ayes	:	Boyajian, Calhoun, Perea, Quintero, Duncan
Noes	:	Ronquillo
Absent	:	Castillo

OF NECESSITY FOR THE ACQUISITION OF PROPERTY OWNED BY THE UNION PACIFIC RAILROAD COMPANY ON THE WESTERLY SIDE OF "H" STREET BETWEEN FRESNO AND STANISLAUS STREETS (PORTION OF APN 465-040-11U AND A PORTION OF 467-030-27U); PROPERTY OWNED BY JOHN C. COLEMAN, JR., ON THE WESTERLY SIDE OF "H" STREET BETWEEN KERN AND MONO STREETS (APNs 467-040-20, 22 AND 23); AND PROPERTY OWNED BY CHERTA FARMS ON THE WESTERLY SIDE OF "H" STREET BETWEEN TULARE AND KERN STREETS (APN 467-040-17), TO PROVIDE STADIUM EVENT PARKING FOR THE DOWNTOWN STADIUM PROJECT (*COUNCIL ACTION*)

(** 1. CONSIDER AND ADOPT A MITIGATED NEGATIVE DECLARATION FOR ENVIRONMENTAL ASSESSMENT NO. C-01-234 - *REMOVED FROM THE AGENDA*)

2. * RESOLUTION NO. 2002-10 - DETERMINING THAT PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION OF PROPERTY FOR PUBLIC PURPOSES FOR THE DEVELOPMENT OF PUBLIC PARKING IN SUPPORT OF THE DOWNTOWN STADIUM PROJECT, AND AUTHORIZING EMINENT DOMAIN PROCEEDINGS FRO PUBLIC USE AND PURPOSE, *AS AMENDED, EXCLUDING THE COLEMAN PROPERTY*

Chair Duncan announced the time had arrived to consider the issue and opened the hearing. **City Attorney Montoy clarified the only action before Council was adoption of the resolution (#2) as action had already been taken on the mitigated negative declaration (#1). Redevelopment Administrator Murphey distributed an updated map and resolution, reviewed the issue as contained in the staff report as submitted at length, and recommended the resolution be adopted and clarified adoption of the resolution would not preclude continued negotiations with the property owners.

Jim McKelvey, 1690 W. Shaw, representing John Coleman, spoke in opposition to the acquisition due to the proposal for all parking revenues to go to the city and because the City's offer was less than what Mr. Coleman had invested to date, and requested Council delay action for one hour and direct staff to work with him in the interim as he and staff felt an agreement could be reached. Brief discussion ensued on the process, postponing only the Coleman portion to the afternoon session to allow further negotiations, and staff still being able to continue negotiations if the resolution is adopted.

Speaking in opposition to the Cherta Farms property acquisition were: Gnia Lee, 4507 N. Winery, who submitted written material on file in the office of the City Clerk, and who stated the City's offer was below what the family paid for the property and they were only asking for a fair price; Ed Peelman, 3315 W. American; and Barbara Hunt, 612 "F" Street.

Upon call, no one else wished to be heard and Chair Duncan closed the public testimony portion of the hearing.

Councilmember Ronquillo commented on investments that took place in the civic center square area due to eminent domain and asked the property owners to consider the values that are created. **(3 - 0)** Ms. Murphey and Chair Duncan responded to questions of Councilmember Boyajian relative to whether successful negotiations were anticipated with Mr. Coleman and if the Cherta and railroad properties were also going to be continued to the afternoon.

Councilmember Calhoun made a motion, seconded by Councilmember Boyajian, to proceed with adoption of the resolution, excluding the Coleman property, and consider the Coleman matter at 2:00 p.m. Brief discussion ensued on continuing negotiations, concerns of the other property owners, taking action on the properties separately, and the issue being price with the Cherta property as the land was for sale.

Ms. Murphey, Mr. Lee and Mr. Peelman responded to questions of Councilmember Quintero and/or commented additionally on whether the Briggs' property was considered for stadium parking, if the Lee Family was willing to work with the Agency to develop a parking lot like John Coleman, and the appraisal of the Cherta property being below what the family purchased it for eight years ago.

Councilmember Calhoun clarified his motion was to move forward with the Cherta Farms and Union Pacific Railroad Company incorporating the staff report and exhibits as submitted; stated this would not be the end of the process but would capture attention and put in motion what the City could legally do for the benefit of the community and at the same time provide affected individuals fair market value for their properties; and encouraged the owners to talk seriously with the City stating this was a necessary action. Councilmember Ronquillo clarified the City would be *acquiring* properties, not *taking*, and there was a distinct difference for public need and use and explained. Chair Duncan stated the public need was quite clear and the process was very fair and legal. Ms. Montoy further clarified Councilmember Calhoun's motion.

On motion of Councilmember Calhoun, seconded by Councilmember Duncan, duly carried, RESOLVED, based on the written record and testimony this date, the above entitled Resolution No. 2002-10 hereby adopted, as amended, excluding Exhibit "A" pertaining to the property owned by John C. Coleman, Jr. (to be brought back in the afternoon session); and staff directed to take all necessary steps to proceed immediately with the property acquisitions, including the filing for an Order of Possession on the subject properties, by the following vote:

Ayes	:	Boyajian, Calhoun, Perea, Quintero, Ronquillo, Duncan
Noes	:	None
Absent	:	Castillo

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The joint bodies recessed at 10:22 a.m. and the City Council reconvened in regular session. Councilmembers Quintero and Ronquillo briefly left the dais and returned later.

APPROVE CITY COUNCIL MINUTES OF JANUARY 8, 2002

On motion of Councilmember Boyajian, seconded by Councilmember Calhoun, duly carried, RESOLVED, the minutes of January 8, 2002, approved as submitted.

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APPROVE AGENDA:

(2B) CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION - SIGNIFICANT EXPOSURE TO LITIGATION - CASE NAME: PATRIOT HOMES AND PATRIOT HOMES II V. CITY OF FRESNO

Removed from the agenda.

OF PROPERTY AT 5720 W. MCKINLEY (APN 312-101-33) OWNED BY JOHN AND CONSTANCE PEDERSEN; AND PROPERTY AT 5518 W. OLIVE AVENUE (APN 312-440-17) OWNED BY GAYLORD AND DOROTHY PEELMAN (DISTRICT 1)

City Clerk Klisch advised the properties were located in Council District 3, not 1 as listed. So noted and corrected.

On motion of Councilmember Boyajian, seconded by Councilmember Calhoun, duly carried, RESOLVED, the **AGENDA** hereby approved, by the following vote:

Ayes	:	Boyajian, Calhoun, Duncan, Perea
Noes	:	None
Absent	:	Castillo, Quintero, Ronquillo

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ADOPT CONSENT CALENDAR:

(1A-1a.) * RESOLUTION NO. 2002-11 - 9TH AMENDMENT TO SALARY RES. 01-199 CREATING THE CLASS OF INSTRUMENTATION TECHNICIAN, AND MOVING THE CLASS OF CURATOR OF EDUCATION FROM WHITE COLLAR TO MANAGEMENT CONFIDENTIAL

(1A-1b.) * RESOLUTION NO. 2002-12 - 8TH AMENDMENT TO SALARY RES. 01-199 AMENDING THE SALARY RANGE OF FIRE PREVENTION ENGINEER

(1A-1c.) DETERMINING THAT BILL NELSON G.E.C., INC., OF VISALIA IS NONRESPONSIVE TO THE SPECIFICATIONS, AND AWARD A CONTRACT TO GEORGE DAKOVICH & SON, INC., OF FRESNO FOR THE BASE BID AND ADD-ALTERNATE I (PVC PIPE), IN THE AMOUNT OF \$61,572 FOR INSTALLATION OF 8" WATER MAINS IN N. FORKNER AVENUE (UNIT 1) AND W. WRENWOOD AVENUE (UNIT II)

(1A-1d.) DECLARE THE LATE SUBMITTAL OF THE SUBCONTRACTOR INFORMATION DETAIL FORM FOR ONE SUBCONTRACTOR TO VERIFY LICENSE AND BOND A MINOR IRREGULARITY, AND AWARD A CONTRACT TO MOCON/CAT CONTRACTING, A JOINT VENTURE, IN THE AMOUNT OF \$1,484,193 FOR SANITARY SEWER REHABILITATION BY METHOD OF CURED IN PLACE PIPE IN JENSEN AVENUE FROM CEDAR TO SARAH AVENUES

(1A-1e.) * RESOLUTION NO. 2002-13 - 66TH AMENDMENT TO AAR 01-200 MOVING \$9,400 IN ADDITIONAL SALARY FOR THE COUNCIL PRESIDENT AND \$20,600 FOR THE EXECUTIVE ANALYST TO THE COUNCIL FROM THE COUNCIL SUPPORT BUDGET TO THE DISTRICT 7 OPERATING BUDGET

(1A-4a.) APPROVE APPOINTMENT OF HAL KISSLER TO THE PLANNING COMMISSION - MAYOR AUTRY

Councilmember Calhoun commended the Mayor's appointment stating he was impressed with the quality of Mr. Kessler. Councilmember Ronquillo returned to the meeting at 10:25 a.m.

(1A-11a.) APPROVE THE TRANSFER OF A DEPUTY RECREATION MANAGER FROM THE POLICE DEPARTMENT TO THE PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT

1. * **RESOLUTION NO. 2002-14** - 63RD AMENDMENT TO AAR 01-200 TRANSFERRING \$36,400 FROM THE POLICE DEPARTMENT TO PARKS AND RECREATION

2. * **RESOLUTION NO. 2002-15** - 11TH AMENDMENT TO PAR 01-201 TRANSFERRING THE POSITION

(1A-11b.) **RESOLUTION NO. 2002-16** - AUTHORIZING THE LEASE-PURCHASE OF A HAZARDOUS DUTY ROBOT AND RELATED COMMUNICATION EQUIPMENT WITHOUT COMPETITIVE BIDDING UNDER THE SOLE SOURCE EXCEPTION FOR USE BY THE POLICE DEPARTMENT EXPLOSIVES UNIT

(1A-12a.) AUTHORIZING THE PURCHASING MANAGER TO ENTER INTO AN INTERIM CONTRACT IN THE AMOUNT OF \$390,315 WITH PANAGRAPH, INC. TO PROVIDE PUBLIC INFORMATION SERVICES THROUGH JUNE 30, 2002 FOR THE DEPARTMENT OF PUBLIC UTILITIES

(1A-12b.) * **RESOLUTION NO. 2002-17** - 7TH AMENDMENT TO PAR 01-201 ADDING ONE GRANT-FUNDED STAFF ASSISTANT POSITION IN THE SOLID WASTE MANAGEMENT DIVISION-RECYCLING PROGRAM

(1A-15a.) AUTHORIZE THE PUBLIC WORKS DIRECTOR AND DIRECTOR OF TRANSPORTATION TO SIGN A PROFESSIONAL SERVICES AGREEMENT WITH DALE RUTHERFORD, AIA, FOR ARCHITECTURAL SERVICES TO SURVEY, DESIGN AND SPECIFY ACOUSTIC TREATMENT OF HOMES IN THE FAR PART 150 NOISE COMPATIBILITY PROGRAM FOR THE FRESNO YOSEMITE INTERNATIONAL AIRPORT UNDER FEDERAL AVIATION ADMINISTRATION (FAA) GRANT NO. 3-06-0087-36 (AIP 36)

(1A-15b.) AUTHORIZE THE PUBLIC WORKS DIRECTOR AND DIRECTOR OF TRANSPORTATION TO SIGN A PROFESSIONAL SERVICES AGREEMENT WITH BROWN-BUNTIN ASSOCIATES, INC., FOR ACOUSTIC CONSULTANT SERVICES TO MONITOR, DESIGN AND SPECIFY ACOUSTIC TREATMENT OF HOMES IN THE FAR PART 150 NOISE COMPATIBILITY PROGRAM FOR THE FRESNO YOSEMITE INTERNATIONAL AIRPORT UNDER FEDERAL AVIATION ADMINISTRATION (FAA) GRANT NO. 3-06-0087-36 (AIP 36)

On motion of Councilmember Calhoun, seconded by Councilmember Duncan, duly carried, **RESOLVED**, the above entitled **CONSENT CALENDAR** hereby adopted, by the following vote:

Ayes	:	Boyajian, Calhoun, Duncan, Ronquillo, Perea
Noes	:	None
Absent	:	Castillo, Quintero

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(9:55 A.M.) APPROVE A \$200,000 PAYMENT AGREEMENT WITH THE FRESNO DIAMOND GROUP REGARDING THE DOWNTOWN STADIUM CONSTRUCTION

President Perea and Councilmember Duncan commended Deputy Mayor Montero and the Fresno Diamond Group for their efforts in bringing closure to the payment issue and a motion and second was made to approve the agreement. Councilmember Quintero returned to the meeting at 10:27 a.m.

Barbara Hunt, 612 "F" Street, spoke to the issue. Councilmember Ronquillo commented briefly and clarified issues and complimented staff for their work.

On motion of Councilmember Duncan, seconded by Councilmember Ronquillo, duly carried, RESOLVED, the Payment Agreement with the Fresno Grizzlies, Inc., and the Fresno Diamond Group, LLC, hereby approved, by the following vote:

Ayes	:	Boyajian, Calhoun, Duncan, Quintero, Ronquillo, Perea
Noes	:	None
Absent	:	Castillo

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(10:00 A.M.#1) HEARING TO CONSIDER THE OFFICIAL PLAN LINE FOR WILLOW AVENUE BETWEEN HERNDON AND COPPER AVENUES (DISTRICT 6)

1. APPROVE FINDING OF A NEGATIVE DECLARATION FOR E.A. 2001-10, DATED JUNE 5, 2001, PREPARED JOINTLY BY THE CITIES OF FRESNO AND CLOVIS

2. BILL NO. B-7 - ORDINANCE NO. 2002-3 - ADOPTING THE OFFICIAL PLAN LINE FOR WILLOW AVENUE

President Perea announced the time had arrived to consider the issue and opened the hearing and Planner Unruh reviewed the staff report as submitted. Councilmember Ronquillo left the meeting at 10:33 a.m.

Don Lacefield, 7835 N. Willow, stated the alignment would take 63 feet from his property and questioned if the City was going to compensate him for the devaluation of his home. Upon question, City Attorney Montoy stated the property owners' comments were his opinion and had no legal bearing on the matter before Council, advised his only recourse, if the ordinance was approved, would be to challenge the action taken, and clarified this was not a condemnation action. Chief Engineering Technician Madewell further clarified the issue was the setting of the alignment only and if the street were to be widened by the City in the future staff would have to negotiate with the property owner in good faith under the land acquisition process.

Scott Ellis Jr., 10300 Highway 41, displayed a map on the overhead depicting his parcels of land and questioned the issue of Willow Avenue access and how the location of the planned trail would affect that access, with Mr. Madewell stating access issues would be discussed later and he was confident an agreeable arrangement would be reached.

Upon call, no one else wished to be heard and President Perea closed the hearing.

On motion of Councilmember Quintero, seconded by Councilmember Duncan, duly carried, RESOLVED, the finding of a Negative Declaration, prepared by the City of Clovis, dated June 5, 2001, hereby approved; and the above entitled Bill No. B-7 adopted as Ordinance No. 2002-3, by the following vote:

Ayes	:	Boyajian, Calhoun, Duncan, Quintero, Perea
Noes	:	None
Absent	:	Castillo, Ronquillo

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FILED BY AMERICAN CAMPUS - TITAN LLC, PROPERTY LOCATED ON THE NORTHEAST CORNER OF E. BARSTOW AND N. TENTH STREET, WEST OF N CEDAR AVENUE (1680 E. BARSTOW - DISTRICT 4)
1. ADOPT MITIGATED NEGATIVE DECLARATION FOR ENVIRONMENTAL ASSESSMENT NO. R-01-42
2. BILL - AMENDING THE OFFICIAL ZONE MAP TO REZONE FROM R-1-C TO R-3/UGM
(REQUEST TO CONTINUE BY ACTING PRESIDENT CASTILLO)

President Perea announced the time had arrived to consider the issue, opened the hearing, and advised there was a request by Acting President Castillo to continue the hearing. Upon call, no one wished to be heard and President Perea closed the hearing.

On motion of President Perea, seconded by Councilmember Duncan, duly carried, RESOLVED, the above entitled Hearing on R-01-42 filed by American Campus - Titan LLC continued to January 29, 2002, at 10:35 a.m., by the following vote:

Ayes	:	Boyajian, Calhoun, Duncan, Quintero, Perea
Noes	:	None
Absent	:	Castillo, Ronquillo

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(10:15 A.M.) HEARING ON PLAN AMENDMENT NO. A-01-027, REZONING APPLICATION NO. R-01-145, AND ENVIRONMENTAL FINDINGS FILED BY EDUARDO QUINTANA, PROPERTY LOCATED ON THE WEST SIDE OF N. HUMBOLDT SOUTH OF W. BELMONT AVENUE - DISTRICT 3 (CONTINUE TO JANUARY 29, 2002, AT 10:30 A.M.)

Continued as noted.

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(10:20 A.M. #1) FEDERAL COURTHOUSE PROJECT - AUTHORIZE SITE CLEARANCE, TRAFFIC CONTROLLER AND CABLE BOX RELOCATION, AND REPLACEMENT PARKING IMPROVEMENTS, AND ADOPTION OF RELATED ANNUAL APPROPRIATION RESOLUTION

1. * **RESOLUTION NO. 2002-18** - 68TH AMENDMENT TO AAR 01-200 APPROPRIATING \$90,000 TO COMPLETE CERTAIN PREPARATORY WORK FOR THE FEDERAL COURTHOUSE PROJECT

(10:20 A.M. #2) REPORT FROM STAFF AND DIRECTION FOR HANDLING PARKING NEEDS OF CITY EMPLOYEES IN PARKING LOTS PT/PTW (SOUTHWEST CORNERS OF TULARE AND "P" AND TULARE AND "O" STREETS) - COUNCILMEMBER QUINTERO

Public Works Director Williamson advised the above matters were tied together and a motion and second was made to move both matters. Brief discussion ensued with Mr. Williamson responding to comments, questions and/or concerns of Councilmembers Quintero and Calhoun relative to #2 being placed on the agenda because of a memo sent to employees stating they would have no parking, what staff was proposing for employee parking, if security lighting

would be installed for employees who have to work late, need to work out an arrangement for service delivery vehicles, how much more time and money was anticipated to be expended before construction started on the courthouse project, if the \$90,000 in gas tax funds was earmarked for something else, why staff was caught by surprise with the needed improvements, and when the Federal government would start paying for improvements. Assistant City Attorney Avila clarified the City's obligations in the agreement with the GSA.

On motion of Councilmember Duncan, seconded by Councilmember Calhoun, duly carried, RESOLVED, the Public Works Department authorized to complete site clearance for the new Federal Courthouse, relocate a traffic signal and cable box and construct a temporary parking lot on the south side of Tulare Street east of the BNSF railroad tracks, and the above entitled Resolution No. 2002-18 hereby adopted by the following vote:

Ayes	:	Boyajian, Calhoun, Duncan, Quintero, Perea
Noes	:	None
Absent	:	Castillo, Ronquillo

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(10:30 A.M.) REVIEW AND ACCEPTANCE OF THE IMPACT FEE ANNUAL REPORT AS REQUIRED BY THE CALIFORNIA GOVERNMENT CODE

Public Works Director Williamson introduced key staff members John Holmes and Jim Owens who helped with the department's reorganization, and responded to questions of Councilmember Duncan relative to whether the Building Industry Association had reviewed the report and if they had given staff any feedback. Councilmember Ronquillo returned to the meeting at 11:00 a.m. Councilmember Duncan stated his concern was he had not had enough time to review the 400-page report, talk with anyone, or ask questions, and made a motion to lay the matter over two weeks, which motion was seconded and acted upon after brief discussion. Councilmember Calhoun encouraged representatives of the Reform Committee to be in attendance when the issue comes back to Council and requested staff give Council a primer/walk-through on the report and/or provide a single-page informational sheet containing changes from last year to assist Council in reviewing the "monstrous" document. Mr. Williamson responded to questions of Councilmember Boyajian relative to the need to raise fees, when fees were last updated, when recommendations on updated fees would be before Council, if other cities fees were being looked at, and why the Blythe/Ashlan and Ashlan/Cornelia traffic signals were not included and what the timetable was for those installations as funding had been allocated for years.

On motion of Councilmember Duncan, seconded by Councilmember Calhoun, duly carried, RESOLVED, the above entitled matter laid over two weeks to January 29, 2002, at 2:30 pm., by the following vote:

Ayes	:	Boyajian, Calhoun, Duncan, Quintero, Ronquillo, Perea
Noes	:	None
Absent	:	Castillo

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(10:45 A.M.) REAFFIRM 2001-2004 CONSOLIDATED PLAN PRIORITIES FOR 2002-2003 ANNUAL ACTION PLAN

A motion and second to reaffirm the 2001-2004 Consolidated Plan priorities was made and later acted upon.

HNR Neighborhood Services Division Manager Bowness gave a power point presentation at length on last year's accomplishments and responded to questions of President Perea relative to the senior center.

Barbara hunt, 612 "F" Street, spoke to the issue.

Councilmember Quintero commended staff for their work and Ms. Bowness and Assistant City Manager Souza responded to questions and/or comments of Councilmembers Boyajian, Calhoun and Ronquillo relative to purpose of the report, if Council would have input on spending funds, where funds were leveraged, if staff was familiar with a county program for first-time home buyers, leveraging with Fannie Mae, if Council was to bless the priorities or change them, why Council had to take this action, if staff had any recommendations and if staff supported the priorities, need to revisit the issue of moving housing funds **(5 - 0)**, putting all housing pieces into the proper framework, positive prior action taken in removing RDA funds from HNR and partnering with the Housing Authority, need to encourage partnerships for private investments, need to focus on creating investments by leveraging, need for staff to advise Council of options and alternatives relative to Section 108, partnering for quality downtown housing, and need for coordination and a comprehensive housing plan.

On motion of Councilmember Quintero, seconded by Councilmember Duncan, duly carried, RESOLVED, the ten priorities identified in the 2001-2004 Consolidated Plan hereby reaffirmed, by the following vote:

Ayes	:	Boyajian, Calhoun, Duncan, Quintero, Ronquillo, Perea
Noes	:	None
Absent	:	Castillo

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(3A) ADOPT ORDINANCES ADDING SECTIONS TO THE FRESNO MUNICIPAL CODE FOR THE IMPLEMENTATION OF A RECIPROCITY AGREEMENT WITH THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CalPERS) AND APPROVE THE RECIPROCITY AGREEMENT WITH CalPERS

1. * BILL NO. B-1 - ORDINANCE NO. 2002-4 - ADDING SECTION 2-1745A TO THE FMC PROVIDING FOR RECIPROCITY BETWEEN THE FIRE AND POLICE RETIREMENT SYSTEM AND THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM

2. * BILL NO. B-2 - ORDINANCE NO. 2002-5 - ADDING SECTION 2-1854 TO THE FMC PROVIDING FOR RECIPROCITY BETWEEN EMPLOYEES RETIREMENT SYSTEM AND THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM

On motion of Councilmember Duncan, seconded by Councilmember Quintero, duly carried, RESOLVED, the above entitled Bill Nos. B-1 and B-2 adopted as Ordinance Nos. 2002-4 and 2002-5, by the following vote:

Ayes	:	Boyajian, Calhoun, Duncan, Quintero, Ronquillo, Perea
Noes	:	None
Absent	:	Castillo

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(3B) * BILL NO. B-3 - ORDINANCE NO. 2002-6 - AMENDING SECTIONS 2-1745 RELATING TO ELIGIBILITY REQUIREMENTS OF THE POST RETIREMENT SUPPLEMENTAL BENEFIT IN THE FIRE AND POLICE RETIREMENT SYSTEM

1. * BILL NO. B-4 - ORDINANCE NO. 2002-7 - AMENDING SECTION 2-1853 RELATING TO ELIGIBILITY REQUIREMENTS OF THE POST RETIREMENT SUPPLEMENTAL BENEFIT IN THE EMPLOYEES RETIREMENT SYSTEM

On motion of Councilmember Duncan, seconded by Councilmember Quintero, duly carried, RESOLVED, the above entitled Bill Nos. B-3 and B-4 adopted as Ordinance Nos. 2002-6 and 2002-7, by the following vote:

Ayes	:	Boyajian, Calhoun, Duncan, Quintero, Ronquillo, Perea
Noes	:	None
Absent	:	Castillo

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(5A) RESOLUTION NO. 2002-19 - URGING THE CALIFORNIA PUBLIC UTILITIES COMMISSION TO ADOPT THE "POSTAGE STAMP" ALLOCATION METHODOLOGY TO ALLOCATE THE REVENUE REQUIREMENT OF THE CALIFORNIA DEPARTMENT OF WATER RESOURCES AMONG THE THREE ELECTRIC UTILITIES WITHIN THE STATE IN ORDER TO EFFECTUATE PRO RATA SHARING OF ENERGY COSTS - PRESIDENT PEREA

Councilmember Ronquillo left the meeting at 11:53 a.m. Reviewed by President Perea who stated this resolution was consistent with direction to the City Attorney's office to position the city and other entities that have joined Fresno in having a more equitable distribution of the additional power being generated by Southern Cal Edison consumers in the amount of \$600 million and made a motion to adopt the resolution, which motion was seconded and acted upon after discussion.

Assistant City Attorney Avila advised of a correction to the resolution to striking all references to the Office of Rate Payer Advocates and advised staff had not analyzed the proposed decision of the judge who would be making the recommendation to the full PUC on allocating the revenue requirements. Brief discussion ensued on active communications with other communities, Fresno having an advocate on the PUC, Mr. Avila and President Perea responding to questions relative to whether the League of California Cities had taken a position on the matter, if it was possible to be part of the San Francisco group, if there was any lobbying or political process Fresno should engage in beyond that which was already being done, if staff needed more time to review the matter, if ramifications were known, and clarification that the resolution was authorizing staff to take other administrative actions consistent with Council's position.

On motion of President Perea, seconded by Councilmember Calhoun, duly carried, RESOLVED, the above entitled Resolution No. 2002-19 hereby adopted, by the following vote:

Ayes	:	Boyajian, Calhoun, Duncan, Quintero, Perea
Noes	:	None
Absent	:	Castillo, Ronquillo

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(5B) APPROVE CITY COUNCIL MEETING SCHEDULE FOR 8:30 A.M. START TIMES (OPTION 1), OR 9:00 A.M. START TIMES (OPTION 2)

Councilmember Calhoun made a motion to approve Option 1 stating this was in line with what Council was already doing and was appropriate due to the number of lengthy and ceremonial items. The motion was seconded and acted upon after brief discussion on Redevelopment Agency meetings and scheduling requirements, and the intent of the motion being to start business at 8:30 a.m. and no earlier. Councilmember Boyajian stated starting at 8:30 a.m. would just extend meeting days and he supported 9:00 a.m. start times.

On motion of Councilmember Calhoun, seconded by Councilmember Duncan, duly carried, RESOLVED, City Council Meeting Schedule Option 1 calling for 8:30 a.m. start times hereby approved, by the following vote:

Ayes	:	Calhoun, Duncan, Quintero, Perea
Noes	:	Boyajian
Absent	:	Castillo, Ronquillo

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REQUEST FOR UPDATE/INFORMATIONAL REPORT ON STATUS OF THE SIGN ORDINANCE - COUNCILMEMBER CALHOUN

Request made with President Perea requesting staff to report back in two weeks.

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LUNCH RECESS - 12:14 P.M. - 2:07 P.M. Councilmember Ronquillo arrived later in the meeting.

(2:00 P.M.) CONTESTED CONSENT CALENDAR:

(1A-5) APPROVE THE ECONOMIC DEVELOPMENT CORPORATION (EDC) OF FRESNO COUNTY 2001 RENEWAL CONTRACT

Councilmember Calhoun spoke in support stating a positive discussion was held last week and Council's consensus was there was a good collaboration between the EDC, the City and Agency and that economic development/jobs was on the mend, made a motion to approve the contract, and suggested specific areas be identified where growth was desired and that staff work closely with the Agency and the EDC on targets, goals and objectives. City Manager Hobbs advised more collaboration would occur and relative to identifying specific growth areas stated staff could not make any promises as Council direction was needed. Councilmember Calhoun clarified his intent was to identify areas city-wide adding his district was just one piece. President Perea stated good things would happen with the leadership on all sides and stated a market/business plan needed to be built around the four strategies that the EDC had identified.

On motion of Councilmember Calhoun, seconded by Councilmember Duncan, duly carried, RESOLVED, the EDC 2001 renewal contract hereby approved and the City Manager authorized to sign the contract on behalf of the City, by the following vote:

Ayes : Boyajian, Calhoun, Duncan, Quintero, Perea
Noes : None
Absent : Castillo, Ronquillo

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The City Council recessed at 2:15 p.m. reconvened in joint session with the Redevelopment Agency at the hour of 2:17 p.m. with Councilmember Ronquillo returning shortly into the hearing.

(9:00 A.M.) CONTINUED HEARING TO CONSIDER ADOPTION OF ENVIRONMENTAL FINDINGS AND RESOLUTION OF NECESSITY FOR THE ACQUISITION OF PROPERTY OWNED BY JOHN C. COLEMAN, JR., ON THE WESTERLY SIDE OF "H" STREET BETWEEN KERN AND MONO STREETS (APNs 467-040-20, 22 AND 23), TO PROVIDE STADIUM EVENT PARKING FOR THE DOWNTOWN STADIUM PROJECT (COUNCIL ACTION) (CONTINUED FROM EARLIER IN THE MEETING)

2. * RESOLUTION NO. 2002-20 - DETERMINING THAT PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION OF PROPERTY FOR PUBLIC PURPOSES FOR THE DEVELOPMENT OF PUBLIC PARKING IN SUPPORT OF THE DOWNTOWN STADIUM PROJECT, AND AUTHORIZING EMINENT DOMAIN PROCEEDINGS FOR PUBLIC USE AND PURPOSE (*COLEMAN PROPERTY*)

Redevelopment Administrator Murphey advised as directed staff met with the Coleman team and revenue was the outstanding issue, and recommended Council proceed with the resolution of necessity.

Jim McKelvey, representing Mr. Coleman, and read technical points into the record relative to Mr. Coleman's intended use of the site, public operation of the lot versus private sector, **(6 - 0)** Mr. Coleman being told there was "no choice" due to contractually committing the property, and there being no public need or purpose for taking the property as parking was already available, and stated he wanted to continue meeting with staff to resolve the money issue. Consulting Attorney Bacigalupi responded to the points raised by Mr. McKelvey referencing the staff report.

Speaking to the issue were: Jack Emerian, 4686 N. Van Ness, speaking as a concerned citizen, who requested Council reconsider the condemnation action on the subject property and allow Mr. Coleman to continue with his plans; John Coleman, who stated he wanted to cooperate and hoped the issue could be worked out; and Mr. McKelvey, who added the environmental assessment would be invalid if permanent parking was applied as temporary parking was called for.

Upon call, no one else wished to be heard and Chair Duncan closed the public hearing.

Lengthy discussion ensued. Councilmember Ronquillo reiterated his support stressing this was about events to make downtown Fresno a magnet and was not just about the stadium and baseball. City Attorney Montoy clarified Council did have a choice as no pre-commitments to condemn were made and there was no agreement with the Fresno Diamond Group (FDG) on that issue. President Perea stated he found it hard to accept Mr. Emerian's comments as a public citizen and presented questions to Mr. Emerian relative to whether he was still a FDG board member, the FDG's position, if the FDG had any interest in Mr. Coleman's parcels, if the FDG had entered into discussions with any of the property owners, and if the FDG had no financial interest or discussions with property owners around the stadium. Mr. Bacigalupi, Ms. Murphey, Ms. Montoy and Planning Manager Beach responded to questions and

concerns of Councilmember Boyajian relative to acquiring property for “necessity”, how the parking and revenue issues were different and how the distinction was made, if the case could be thrown out of court if the issue was financial, jeopardizing obligations on the debt payment, other elements for need, obligations under the parking agreement, parking needing to be close to the stadium for safety reasons, if the CEQA analysis was based on temporary parking, and CEQA compliance being conducted, concluded and not at issue. Councilmember Ronquillo commended staff for their efforts in finding needed parking and commented on the parking issue including what was already available and what was ahead and added this discussion allowed for all the complicated issues to be put on the table and begin examining them. Chair Duncan stated he found Mr. McKelvey’s morning comments relative to an “extortion attempt with his client” to be repulsive and he was outraged for staff who he stated had entered into the whole process with the purest of intentions and tried to accommodate the process of negotiations, and commented on meetings held on the parking lot issue including points that were worked out, revenue sharing, an offer with no response, and a comment made by Mr. Coleman that the FDG advised him to get out of the city arrangement and the FDG would deal with him privately and elaborated, and made a motion to approve the resolution of necessity adding if approved the City would still continue to talk with the Coleman team.

On motion of Chair Duncan, seconded by Councilmember Calhoun, duly carried, RESOLVED, based on the written record and testimony this date, the above entitled Resolution No. 2002-20 hereby adopted, and staff directed to take all necessary steps to proceed immediately with the property acquisition, including the filing for an Order of Possession on the subject properties, by the following vote:

Ayes	:	Boyajian, Calhoun, Perea, Quintero, Ronquillo, Duncan
Noes	:	None
Absent	:	Castillo

President Perea requested staff schedule a meeting with the Fresno Diamond Group stating talks were needed.

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The joint bodies adjourned their meeting at 2:59 p.m. and the City Council reconvened in regular session.

ANNOUNCEMENT OF FRESNO’S EMPOWERMENT ZONE DESIGNATION - MAYOR AUTRY

The announcement was made by Mayor Autry and discussion ensued and Mayor Autry was commended for his leadership and the team effort **(7 - 0)**.

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(2:30 P.M.) CONTINUED HEARING TO ADOPT RESOLUTION OF NECESSITY FOR THE ACQUISITION OF PROPERTY AT 5720 W. MCKINLEY (APN 312-101-33) OWNED BY JOHN AND CONSTANCE PEDERSEN; AND PROPERTY AT 5518 W. OLIVE AVENUE (APN 312-440-17) OWNED BY GAYLORD AND DOROTHY PEELMAN (DISTRICT 3)

1. RESOLUTION NO. 2002-21 - DETERMINING THAT PUBLIC INTEREST AND NECESSITY REQUIRE THE EASEMENTS AND RIGHTS-OF-WAY FOR PUBLIC STREET PURPOSES OVER, UNDER, THROUGH AND ACROSS PROPERTY FOR THE CONSTRUCTION OF PORTIONS OF N. POLK AND N. CARNEGIE AVENUES AS DEVELOPMENT REQUIREMENTS OF UGM TRACT NO. 4493 AND AUTHORIZING EMINENT DOMAIN PROCEEDINGS FOR PUBLIC USE AND PURPOSE

President Perea announced the time had arrived to consider the issue and opened the hearing. Senior Real Estate Agent Hansen reviewed the background and advised there was agreement with the Pedersens' for construction of a short retaining wall on their property in lieu of acquiring an 8-foot easement, and that the issue with the Peelmans' was price as they were asking for \$25,000 and the City was offering, based on an appraisal, \$7,600.

Speaking to the issue were: Constance and John Pedersen, 5729 W. McKinley, who requested they be allowed to keep their 8 feet of property; Gaylord and Dorothy Peelman, owners of property at 5518 W. Olive, opposed; David Simonian, 5529 W. McKinley, who spoke in support of the wall for the Pedersen and requested their property be excluded until staff completes the official plan line for Polk Avenue. Upon request, Supervising Engineer Froberg addressed issues relative to the Pedersen property.

Councilmember Boyajian stated he did not support the subdivision because of inadequate infrastructure, presented questions relative to whether the wall on the Pedersen property would solve their concerns, the process, which roads were going to be widened, and needs and necessity for the subdivision and improvements, with Mr. Hansen and City Attorney Montoy responding and clarifying issues.

Councilmember Calhoun stated negotiations could continue if the resolution was adopted, spoke in support of moving the process forward as allowed by law, and made a motion to approve the resolution, which motion was seconded and acted upon further brief discussion. Upon question of President Perea, Ms. Montoy and Mr. Hansen confirmed action on the Pedersen property would not move forward if agreement was reached and negotiations on cost could continue if the resolution was adopted. Supervising Engineer Phillips and Assistant City Attorney Avila responded to questions and relative to the Polk Avenue official plan line and clarified there was no requirement for it and no legal reason for Council to not proceed.

On motion of Councilmember Calhoun, seconded by Councilmember Duncan, duly carried, RESOLVED, based on the written record and testimony this date, the above entitled Resolution No. 2002-21 stating that the public use and necessity require the construction of a portion of N. Polk Avenue north of W. Olive Avenue, and a portion of N. Carnegie Avenue south of W. McKinley Avenue, and that the acquisition of easements on Fresno County APN's 312-440-17 and 312-101-33 are necessary for the project hereby adopted, by the following vote:

Ayes	:	Calhoun, Duncan, Quintero, Ronquillo, Perea
Noes	:	Boyajian
Absent	:	Castillo

Mr. Pedersen stated one foot of his property had already been taken without payment or agreement with Mr. Hansen stating he would check with McCaffrey Development on the issue.

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CLOSED SESSION:**(2A) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - CASE NAMES:**

1. CITY OF FRESNO V. ELINS FRESNO, INC, ET AL.
2. CITY OF FRESNO V. COUNTY OF FRESNO, LAFCO AND CITY OF CLOVIS
3. CITY OF FRESNO V. CHARLES PASHAYAN, ET AL.

The City Council met in closed session in Room 2125 at the hour of 3:50 p.m. and reconvened in regular open session at 4:42 p.m. with all members present including Acting President Castillo via teleconference call.

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(4:30 P.M.) * RESOLUTION NO. 2002-22 - AUTHORIZING THE ISSUANCE OF FRESNO PENSION OBLIGATION BONDS, REFUNDING SERIES OF 2002; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL TRUST AGREEMENT, AN ESCROW AGREEMENT, A CONTINUING DISCLOSURE CERTIFICATE, A CONTRACT OF PURCHASE, PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT; AND AUTHORIZING OTHER MATTERS RELATING THERETO

Controller Quinto reviewed the issue as contained in the staff report as submitted and clarified one point that had not been presented relative to the liability that built up over 67 years with only a 20 year amortization period. David Broadsley, the City's financial advisor, spoke to the City's credit rating and rating process; Ms. Quinto spoke to the background of the underwriting team; and Rob Larkins, Morgan Stanley & Co., spoke to the current market conditions and stated this was a good time to take advantage of the refinancing.

Chris Mathys, San Joaquin Valley Taxpayers Association, spoke in opposition due to the further debt that would be created but requested, if the resolution was adopted, that Council use the reserves only for basic city services

Councilmember Calhoun thanked the Controller and financial consultants for all their work, stated he supported a fixed rate **(8 - 0)** but could not support extending the debt to 2029 stressing that was a huge obligation to the future, and stated he felt extending the debt out to 2024 would meet the city's needs. Ms. Quinto and Mr. Broadsley responded to questions of Acting President Castillo relative to the total cost to refinance out to 2029, debt amount if extended to 2014, how much of the \$8.7 million savings in FY 02 could go to pay off the debt earlier, how much of the savings would have to go to the principal on a yearly basis to cut fifteen years off the loan, Mr. Mathys' comments relative to two proposals, and how the City's debt profile would be improved.

Mayor Autry spoke in support of the restructuring stating it was critical for City reserves; stated he did not want to saddle future generations with tons of debt but he felt there was a way to have a win-win situation here; and clarified he was supporting the extension to 2029 with the prerequisite that a significant portion, or at least 50%, be earmarked to build up the reserves to an acceptable level.

Councilmember Ronquillo commented on the issue stating he had no misgivings about a fixed rate but his concern was what might happen if future administrations played politics and/or did not keep the reserve going, and questioned how many years of the loan could be cut if 25% of the savings were put away, with Ms. Quinto responding.

City Manager Hobbs and Deputy City Attorney Hale spoke to and clarified issues relative to inability to bind future Councils and requiring a 5% minimum reserve by resolution or ordinance. Ms. Quinto responded to questions of Councilmember Duncan and/or clarified issues relative to whether Fresno County was doing something similar, if this transaction was unusual, present value analysis, and how long it took to accumulate the current debt. Councilmember Duncan stated he was willing to commit 25% to the principal and he felt he could get three others to commit also; stressed he would strongly oppose using even five cents on bureaucracy; stated he supported the extension to 2029 and looked forward to discussions on how to wisely use the funds; thanked staff for a job well done, and made a motion to approve staff's recommendation stating good days were here and they would get better. Councilmember Boyajian thanked staff for thinking out of the box and stated this was an interim kind of process for the City, and requested an amendment calling for savings to specifically go to reserves, infrastructure and principal and not to bureaucracy, with Councilmember Duncan accepting the amendment. Acting President Castillo stated it was his understanding the use of the savings was to be determined at a later date with President Perea concurring, whereupon Councilmember Duncan stated his motion as originally made stood and details of the allocation could be worked out in the next few weeks. Councilmember Ronquillo stated he would have liked alternatives on the extension date and he would not support the motion as he did not see the justification of extending beyond 20 years. President Perea spoke in support stating this would give the city the opportunity to have funds for more hard investments in the community. Acting President Castillo thanked the Controller and City Manager and stated he looked forward to other opportunities to refinance other debt.

On motion of Councilmember Duncan, seconded by Acting President Castillo, duly carried, RESOLVED, the above entitled Resolution No. 2002-22 hereby adopted, by the following vote:

Ayes	:	Boyajian, Castillo, Duncan, Perea
Noes	:	Calhoun, Quintero, Ronquillo
Absent	:	None

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(5:00 P.M.) AWARD A CONSTRUCTION CONTRACT TO MAULDIN-DORFMEIER FOR CONSTRUCTION OF A SURFACE WATER TREATMENT FACILITY

President Perea thanked Acting President Castillo for his work on the issue and Acting President Castillo stated all he did was follow up on whether Fresno's local contractors were getting paid by IT Corporation and found out they were not. Purchasing Manager Taggart reviewed the issue as contained in the staff report as submitted and recommended a new contract be awarded to Mauldin-Dorfmeier. A motion and second was made to approve staff's recommendation and brief discussion ensued on the process working **(9 - 0)** and support for staff's recommendation. President Perea requested staff provide a report on other IT projects.

On motion of Acting President Castillo, seconded by Councilmember Ronquillo, duly carried, RESOLVED, a new contract hereby award to Mauldin-Dorfmeier Construction for the Base Bid and Additive Items "A", and "C" through "F" in the amount of \$32,563,920.86 for construction of a surface water treatment facility, by the following vote:

Ayes	:	Boyajian, Calhoun, Castillo, Duncan, Quintero, Ronquillo, Perea
Noes	:	None
Absent	:	None

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(5:05 P.M.) APPEARANCE BY ARMANDO ZAVALA TO REQUEST SIGNS BE PLACED ON CITY BUSES STATING "SAY NO TO ALCOHOL"

Appearance made; no action taken.

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ADJOURNMENT

There being no further business to bring before the Council, the hour of 5:59 p.m. having arrived and hearing no objections, President Perea declared the meeting adjourned.

APPROVED on the 29th day of January, 2002.

_____ATTEST:_____	
Henry Perea, Council President	Yolanda Salazar, Assistant City Clerk

